

Defining The Problem: The First Step In Solving A Problem

What Is Traffic Pumping?
What Is Access Stimulation?

Defining the Problem

“If I had one hour to save the world I would spend fifty-five minutes defining the problem and only five minutes finding the solution.”

Albert Einstein

The FCC's Request To Carriers

"We understand that carriers complaining about the access stimulation arrangements also offer conferencing and other services that may result in increased traffic. We ask such carriers to explain how they provide each of the above mentioned services, including what charges they assess on the provider, whether access charges are assessed on such calls, and what compensation, if any, is paid to such provider."

FCC WC DOCKET #07-135

What Is Traffic Pumping?

- Artificially generated traffic for the sole purpose of arbitraging terminating access
- Intentional purchase of a long distance plan at a rate less than the termination rate
- No consumer use, purpose, or benefit



Traffic Pumping is Illegal Now

But the FCC Could Clarify Further

- Additional two-part solution:
 - ☐ Ban artificially generated non-consumer dialed traffic that is generated for the sole purpose of creating compensable minutes with no consumer purpose and;
 - ☐ Ban terminating access arbitrage, including arbitrage where the cost to carry the call to the exchange is less than cost to terminate the call at the exchange and the buyer of the long distance is collecting some portion of the termination fees



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What Is Access Stimulation?

- Stimulating access with consumer dialed calls.
- Examples of applications that stimulate traffic (access)
 - ☐ Toll conferencing
 - ☐ Voice mail
 - ☐ Call forwarding
 - ☐ Virtual PBX and IVR
 - ☐ Inbound call centers
 - ☐ Information services
 - ☐ Addition of a new subscriber that receives a phone number
 - ☐ Any activity that stimulates access that is consumer dialed



Solving Access Stimulation in Rural America

- High Volume Access Tariff (HVAT) that would nullify the Rural Exemption based on volume increases ONLY when stimulating access while retaining original intent of the Rural Exemption
 - ❑ Alleviates problems associated with high cost inter-state and intra-state traffic and regulatory arbitrage



Toll Conferencing The FCC Requested Information On



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Success Stories


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Various Toll Conferencing Applications

**Conferencing Solutions**

Toll Audio Summary


Audio Id:	[REDACTED]
Phone Number:	210-515-6207
Leader Passcode:	[REDACTED]
Participant Passcode:	[REDACTED]
Monthly Minutes:	[REDACTED]

 **Voice Conference Instructions**

How to Join a Meeting by Phone

To dial in:


1. Dial the number:
 - Caller Paid (dial to USA): 216-706-7075
2. When prompted, enter the access code: [REDACTED]
then enter the Host password: [REDACTED]

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24/7 Professional Customer Service
TOLL FREE 877.482.5838**Free Conference Call**
Conference Dial-in Number: (209) 647-1000
Host Access Code: [REDACTED]
Participant Access Code: [REDACTED]**Free Conference Recording**
Subscriber PIN code: [REDACTED]
To start recording, host hits: *9, then the PIN
To stop and save the recording, host hits: *9**Free Conference Play Back**
Playback Number: (209) 647-1999
Access Code: [REDACTED]

Access Stimulation & Revenue Sharing?

 **Conferencing Solutions**

Toll Audio Summary

Audio Id:	████████
Phone Number:	210-515-6207
Leader Passcode:	████████
Participant Passcode:	████████
Monthly Minutes:	250

LOCAL EXCHANGE CARRIER



MCI Metro ATS Inc.
Bexer, TX
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Access Stimulation & Revenue Sharing?

 **Voice Conference Instructions** ✕

How to Join a Meeting by Phone

To dial in:

- 1 Dial the number:
■ Caller Paid (dial to USA): 216-706-7075
- 2 When prompted, enter the access code [REDACTED]#
then enter the Host password: [REDACTED]

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LOCAL EXCHANGE CARRIER

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ATT Owned

LOCAL EXCHANGE CARRIER

TCG
Atlanta, GA
ATT Owned

Toll Conferencing Comparison

	AT&T	Verizon	FreeConferenceCall.com
Conferencing company host bridge at a Local Exchange Carrier	Yes	Yes	Yes
Conferencing company hosts a website that distributes conference credentials (dial in number and access codes) of bridge at LEC	Yes	Yes	Yes
Conference organizer receives toll dial-in number and access code from website hosted by conferencing service provider	Yes	Yes	Yes
Conference organizer invites others to call by distributing dial-in number and access code generated at website with a time and date to join conference call	Yes	Yes	Yes



FreeConferenceCall.com

Toll Conferencing Comparison

	AT&T	Verizon	FreeConferenceCall.com
Conference organizer and participants call into dial-in number using their long distance service at the designated time	Yes	Yes	Yes
Local exchange carrier hosting conferencing company bridge terminates the incoming calls of organizer and participants at switch and routes the calls to the conferencing company bridge on premises	Yes	Yes	Yes
Conference organizer and participants enter their access code once connected to the conferencing company bridge	Yes	Yes	Yes

Toll Conferencing Comparison

	AT&T	Verizon	FreeConferenceCall.com
The conferencing company bridge, bridges the calls of the organizer and participants based on the access codes entered by organizer and participant	Yes	Yes	Yes
Local exchange carrier switch calculates the minutes used and separates them based on the long distance services used by the organizer and participants	Yes	Yes	Yes
Local exchange carriers bills the appropriate long distance services the tariff rate to the appropriate long distance services base on each participants time on the call	Yes	Yes	Yes

Toll Conferencing Comparison

	AT&T	Verizon	FreeConferenceCall.com
Long distance carriers pay the LEC for service received by the long distance carrier from the LEC – (call termination – access fees)	Yes	Yes	Yes
LEC shares terminating access revenue with conferencing company providing the service or with company associated with conferencing services	Yes	Yes	Yes

Conclusion:

All aspects of the compared offerings are exactly the same!

Access Stimulation vs. Traffic Pumping

	Consumer Driven Traffic		Artificially Generated
	Access Stimulation	Rural Access Stimulation	Traffic Pumping
Application	Toll Conferencing Voice Mail Virtual PBX Call forwarding 3 way calling Adding subscribers	Toll Conferencing Voice Mail Virtual PBX Call forwarding 3 way calling Adding subscribers	Automated dialers No Consumer App Artificially generated Arbitraged
Rate	High volume rate	Rural rate with HVAT that reduces rate for high volume	Illegal at any rate
Revenue Sharing	Yes	Yes	Yes

- Consumers use their long distance service to make voice phone calls in both forms of access stimulation
- Traffic Pumping is artificially generated and does not involve consumers

To Clearly Define The Problem We Will Need:

- A comprehensive list of services and applications that stimulate access
- The volume of minutes stimulated by all carriers/service providers
- All of the various rates and charges assessed on such calls
- The total revenue generated from these activities
- Complete financial breakdowns of the cost and to whom the expenses are paid when access is stimulated
- Full disclosure of similar or same ownership in service providers and local exchange carriers
- Full disclosure of financial arrangements between service providers and local exchange carriers when one or the other is owned by a parent company

To Clearly Define The Problem We Will Need:

- Average price per minute charged to the consumer stimulating access
- Various LD pricing models offered to the consumer
- Terms and Conditions of long distance plans that allow for IXC's to solve these problems on their own
 - ☐ Most can terminate service for using toll conferencing or services that are not point to point
 - ☐ Most can terminate plans based on number of minutes used to services like FreeConferenceCall.com
 - ☐ All have the ability to charge additional fees and or high per minute fees on select usage

We Might Find...

- that access stimulation is consumer dialed and not artificially generated
- the consumer not only wants to make these calls but MUST make these calls for work, religious, family or informative reasons and cannot do without access stimulating services (conferencing, voicemail, etc.)
- that the consumer is paying more than enough to be connect to these services and more than enough to provide for expenses for all parties involved (Calling Party Pays)

We Might Find...

- that abuses of these services (if/when abuses occur) could be solved by enforcing the terms and conditions of the long distance plan with out additional regulation on local exchange carriers
- that *ALL CARRIERS STIMULATE ACCESS*
- consumer dialed access stimulation occurs whenever new products and services are introduced into the telecommunications marketplace, and are good for the industry and our national economy

We Might Find...

- market driven solutions have already solved the pricing problem
- HVATs have solved the pricing problem
- that all carriers share revenue in one form or another
- revenue sharing is often prevalent with these services as innovative companies bring new services to market

Conclusion

- Consumer dialed access stimulation and revenue sharing are regular practices in the telecommunications industry, and they are necessary practices for innovation and new services that benefit the consumers and businesses
- Traffic pumping can be banned without new regulation
- Exploitation of rural rates can be curtailed with adoption of high volume access tariffs (HVAT)